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Before the FEDERAL COMMUNICATIONS COMMISSION COMMUNICATIONS COMMISSION Washington, DC 20554 OFFICE OF THE SECRETARY

CC Docket No. 98-171	

REPLY COMMENTS OF BELLSOUTH

BellSouth Corporation and BellSouth Telecommunications Inc. on behalf of its affiliated companies ("BellSouth"), hereby reply to the Comments made in response to the Notice of Proposed Rulemaking ("Notice") and Notice of Inquiry ("NOI"), FCC 98-233, released September 25, 1998, in the captioned proceeding.

An overwhelming majority of the Comments filed in this docket, including those submitted by BellSouth, were in general support of the Commission's proposals. While most of these Comments supported the Commission's plan for simplification of the reporting process for the various cost recovery mechanisms, several of the Comments suggested changes in the methods and procedures proposed by the Commission in executing the proposed changes.

BellSouth reiterates general support and changes it proposed in its Comments and provides comment on some of the changes suggested by other parties.

One particular theme that appeared throughout many of the Comments related to eliminating or consolidating some of the information that the proposed Telecommunications Reporting Worksheet ("TRW") will collect and report. BellSouth concurs with several of the comments and contends that the Commission should re-evaluate the TRW pursuant to some of the proposals in the comments. As AT&T stated "the elimination of extraneous data on the [TRW] would significantly enhance the Commission's objective of streamlining carrier reporting requirements and reducing burdens on reporting entities."

Accordingly, BellSouth supports the recommendations set forth in Appendix A of the comments filed by Bell Atlantic. The changes proposed by Bell Atlantic represent the elimination and consolidation of unnecessary or redundant information. Implementation of these changes will not affect the Commission's ability to perform its regulatory obligations regarding the cost recovery mechanisms reported in the TRW. Moreover, by accepting the proposed changes the Commission will eliminate unwarranted burdens on the entities filing the TRW.

In the event that the Commission does not implement the changes proposed by Bell Atlantic, in the alternative, BellSouth supports the changes suggested by Ameritech.²

Ameritech's changes, while not as extensive as those proposed by Bell Atlantic, also propose to eliminate or consolidate unnecessary and redundant information.

BellSouth questions the Comments filed by Sprint regarding the requests that the filing date for the TRW, April 1st, be moved because it is the same date that the ARMIS reports are due. As one of its reasons for requesting the date change, Sprint stated that "the data necessary to complete the contribution worksheets at issue here should reconcile with the ARMIS/financial

¹ AT&T Comments at 5.

² AT&T proposed changes similar to those proposed by Ameritech.

report data" It is BellSouth's understanding that billed revenue data required in the TRW is not reported in ARMIS, and the two reports will not reconcile no matter when the reports are filed. BellSouth does not oppose or advocate the proposed April 1st filing date for the TRW, however, it asks the Commission to clarify whether if, and in what context, it anticipates a carrier will have to perform a reconciliation between the two reports.

BellSouth supports GTE's suggestion that the Commission should limit the TRW filing to once a year. Accordingly, BellSouth agrees that the Commission should "revisit the rule in Part 54.711(a) changing the [USF] filing requirement from semi-annual to an 'annual' filing consistent with the [other cost recovery mechanisms covered in the TRW]".⁴ An annual filing of the TRW is adequate to allow the Commission to provide proper regulatory oversight.

Finally, BellSouth concurs with the position of the United States Telephone Association ("USTA") regarding the shifting of exempt resellers' contribution burden to the underlying carrier. As BellSouth discussed in its Comments, the Commission should distribute the exempt resellers' burden on a competitively neutral basis across all contributing carriers and not just to the reseller's underlying carrier.

Conclusion

BellSouth believes that the proposals set forth in the <u>Notice</u> will reduce its regulatory administrative burden and complement the filing process. Therefore, based on the forgoing, BellSouth contends that the Commission should adopt the proposals set forth in the Notice as

³ Sprint Comments at 3.

⁴ GTE's Comments at 5.

⁵ See USTA's Comments at 3.

amended by the recommendations proposed in BellSouth's Comments and those discussed above.

Respectfully submitted,

BELLSOUTH CORPORATION AND BELLSOUTH TELECOMMUNICATIONS, INC. By their Attorneys

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Date: November 16, 1998

CERTIFICATE OF SERVICE

I Julia W. Spires, do hereby certify that I have this 16th day of November, 1998, serviced all parties to this action with the foregoing "REPLY COMMENTS OF BELLSOUTH" reference CC DOCKET 98-171, by hand delivery or by placing a true and correct copy of the same in the United States Mail, postage prepaid addressed to the parties as set forth on the attached service list.

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